

CENTER FOR PLANNING EXCELLENCE, INC.

Baton Rouge, LA

FINANCIAL REPORT

December 31, 2013

CENTER FOR PLANNING EXCELLENCE, INC.

Baton Rouge, LA

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Center for Planning Excellence, Inc.
Baton Rouge, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of **CENTER FOR PLANNING EXCELLENCE, INC. ("CPEX")** (a non-profit organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **CENTER FOR PLANNING EXCELLENCE, INC.** as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

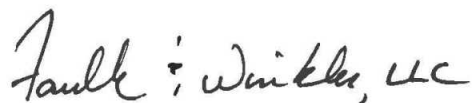
We have previously audited CPEX's 2012 financial statements, and our report dated June 12, 2013, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information in Schedule 1 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 13, 2014 on our consideration of CPEX's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



Certified Public Accountants

Baton Rouge, Louisiana
June 13, 2014

CENTER FOR PLANNING EXCELLENCE, INC.

Baton Rouge, Louisiana

STATEMENT OF FINANCIAL POSITION

December 31, 2013

(with comparative amounts for 2012)

ASSETS

	<u>2013</u>	<u>2012</u>
CURRENT ASSETS		
Cash	\$ 954,439	\$ 1,136,778
Certificates of deposit	103,105	107,091
Accounts receivable	128,926	32,533
Prepays	<u>8,133</u>	<u>9,436</u>
Total current assets	1,194,603	1,285,838
PROPERTY - net	<u>9,446</u>	<u>7,517</u>
Total assets	<u><u>\$ 1,204,049</u></u>	<u><u>\$ 1,293,355</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 20,517	\$ 27,173
Deferred revenue	216,685	398,771
Agency obligation payable	<u>23,510</u>	<u>23,510</u>
Total liabilities	<u>260,712</u>	<u>449,454</u>
NET ASSETS		
Unrestricted	853,244	713,137
Temporarily restricted	<u>90,093</u>	<u>130,764</u>
Total net assets	<u>943,337</u>	<u>843,901</u>
Total liabilities and net assets	<u><u>\$ 1,204,049</u></u>	<u><u>\$ 1,293,355</u></u>

The accompanying notes to financial statements
are an integral part of this statement.

CENTER FOR PLANNING EXCELLENCE, INC.

Baton Rouge, Louisiana

STATEMENT OF ACTIVITIES

For the year ended December 31, 2013

(with comparative amounts for 2012)

	2013			2012
	Unrestricted	Temporarily Restricted	Total	Total
REVENUES				
Grants	\$ 557,759	\$ 191,271	\$ 749,030	\$ 970,976
Membership	417,758	-	417,758	381,559
Consulting	262,972	-	262,972	79,736
Contributions	113,878	-	113,878	110,051
Interest and other	1,815	-	1,815	3,589
Total revenues before reclassifications	1,354,182	191,271	1,545,453	1,545,911
Net assets released from restrictions	231,942	(231,942)	-	-
Total revenues and reclassifications	1,586,124	(40,671)	1,545,453	1,545,911
EXPENSES				
Program services:				
Planning	640,779	-	640,779	301,018
Policy	218,319	-	218,319	148,268
Communications	108,145	-	108,145	104,201
Old South Baton Rouge	36,313	-	36,313	168,982
Louisiana Community Planning	-	-	-	259,963
Total program services	1,003,556	-	1,003,556	982,432
Management and general	233,815	-	233,815	346,815
Fundraising	208,646	-	208,646	108,750
Total expenses	1,446,017	-	1,446,017	1,437,997
Change in net assets	140,107	(40,671)	99,436	107,914
NET ASSETS				
Beginning of year	713,137	130,764	843,901	735,987
End of year	\$ 853,244	\$ 90,093	\$ 943,337	\$ 843,901

The accompanying notes to financial statements
are an integral part of this statement.

CENTER FOR PLANNING EXCELLENCE, INC.

Baton Rouge, Louisiana

STATEMENT OF CASH FLOWS

For the year ended December 31, 2013

(with comparative amounts for 2012)

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 99,436	\$ 107,914
Adjustments for non-cash items:		
Depreciation	3,440	7,483
Change in operating assets and liabilities:		
Accounts receivable and prepaid expenses	(95,090)	180,695
Accounts payable and accrued expenses	(6,656)	(103,376)
Agency obligation payable	-	(7,955)
Deferred revenue	<u>(182,086)</u>	<u>271,897</u>
Net cash (used) provided by operating activities	<u>(180,956)</u>	<u>456,658</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in certificates of deposit	3,986	(102)
Purchase of property and equipment	<u>(5,369)</u>	<u>(3,528)</u>
Net cash used by investing activities	<u>(1,383)</u>	<u>(3,630)</u>
(Decrease) increase in cash and cash equivalents	(182,339)	453,028
CASH		
Beginning of year	<u>1,136,778</u>	<u>683,750</u>
End of year	<u>\$ 954,439</u>	<u>\$ 1,136,778</u>

The accompanying notes to financial statements
are an integral part of this statement.

CENTER FOR PLANNING EXCELLENCE, INC.

Baton Rouge, LA

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and operations

Center for Planning Excellence, Inc. ("CPEX"), a Louisiana corporation, is a not-for-profit organization established to cultivate progressive and sustainable design and planning practices that build upon the most distinctive and regionally unique traditions in Louisiana. CPEX is a resource that supports Louisiana communities with models, tools, and expertise for inclusive participatory planning and decision-making processes to help them define and realize their visions.

Basis of presentation

The financial statements of CPEX have been prepared on the accrual basis of accounting. The significant accounting policies are described below to enhance the usefulness of the financial statements.

CPEX is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Unrestricted net assets are resources that are free of donor-imposed or time restrictions and are available for use at the discretion of the governing board. Temporarily restricted net assets are resources that are limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the organization pursuant to those stipulations. Permanently restricted net assets are those resources whose use by the organization is limited to donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organization. There are no permanently restricted net assets at December 31, 2013.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used primarily when accounting for the allowance for doubtful accounts, deferred revenue and depreciation.

Reclassifications

Certain amounts in the 2012 financial statements have been reclassified to conform to the 2013 financial statement presentation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value financial instruments

The carrying value of cash, receivables, accounts payable, accrued expenses, and deferred revenue approximates fair value due to the short-term maturity of these instruments. None of the financial instruments are held for trading purposes.

Cash and cash equivalents

For purposes of the statements of cash flows, CPEX considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. At December 31, 2013, CPEX had no cash equivalents.

Certificates of deposit

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), *Fair Value Measurements* (ASC 820), establishes a framework for measuring fair value which provides a fair value hierarchy that prioritizes the inputs (sources of pricing information) to valuation techniques used to measure fair value. The highest priority is given to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access. CPEX does not have any Level 1 assets at December 31, 2013.

Level 2 – Inputs including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs that are unobservable and significant to the fair value measurement. CPEX does not have any Level 3 assets at December 31, 2013.

Certificates of deposit are recorded at cost, which approximates fair market value using level 2 inputs.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts receivable and revenue recognition

Accounts receivable are recorded at cost, net of an allowance for doubtful accounts. Management believes that all receivables are collectible at December 31, 2013; therefore, no allowance for doubtful accounts was recorded. At December 31, 2013, receivables outstanding for longer than 90 days totaled \$498. CPEX does not require collateral to secure receivables.

Property and depreciation

Equipment is recorded at cost, or if donated, at the approximate fair value at the date of donation. Depreciation is recorded using the straight-line method over the estimated useful life of the asset. The estimated useful lives for equipment range from three to ten years. Additions, renewals, and improvements that extend the life of assets are capitalized. Maintenance and repairs are expensed as incurred.

Deferred revenue

CPEX has service agreements that apply to programs whose duration extends over several years. CPEX typically receives a payment in advance of performing the contractual services at the time of execution of the agreement. Revenue is recognized on these contracts as services are performed and expenses are incurred, and in accordance with the terms of the agreement. These agreements are considered exchange transactions for accounting purposes. At December 31, 2013, deferred revenue on service contracts was \$216,685.

Grant revenue recognition

Grants that represent exchange transactions are recorded as revenue when expenses are incurred since such arrangements are on a cost-reimbursement basis.

In-kind services

A substantial number of unpaid volunteers give their time to assist CPEX in the performance of its programs and projects. The value of donated time is not reflected in these statements since such services do not meet the requirements for recognition under generally accepted accounting principles.

Contributions and expenses

Contributions received are measured at their fair values and are reported as an increase in net assets. Expenses are recorded when incurred in accordance with the accrual basis of accounting.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee benefit plans

CPEX sponsors a simple individual retirement account plan for all eligible employees electing to establish an account. CPEX provides matching contributions of 3% of eligible compensation. Employees are eligible after one year of service. Participants are fully vested in contributions made to their individual retirement account. Contributions to the retirement plan were approximately \$17,900 for 2013.

Vacation leave

Vacation leave is earned at varying rates for two to four weeks depending on length of service. Vacation expires on the anniversary of the employee's hire date. Amounts related to such vacation leave have been accrued accordingly.

Income taxes

CPEX is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. CPEX follows FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Management of CPEX believes it has no material uncertain tax positions and, accordingly, it has not recognized any liability for unrecognized and uncertain tax positions. CPEX's open audit periods are 2010 through 2013.

Functional expenses

The costs of providing programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain expenses have been allocated among programs and supporting services on the following basis: (1) personnel expenses are allocated based on an estimate of employee time spent on each function, and (2) other costs that cannot be directly attributed to a particular function are allocated based on employee time. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of CPEX.

NOTE 2 - CERTIFICATES OF DEPOSIT

At December 31, 2013, CPEX held certificates of deposits (CD) with a market value of \$103,105. Interest earnings are reinvested into the CD; fair market value approximates the cost of the investment.

NOTE 3 - PROPERTY

Property at December 31, 2013 consists of the following:

	<u>Service Lives</u>	<u>Amount</u>
Computer and video equipment	3-5 years	\$ 75,012
Furniture and fixtures	10 years	<u>6,424</u>
		81,436
Less: accumulated depreciation		<u>(71,990)</u>
		<u><u>\$ 9,446</u></u>

Depreciation expense was \$3,440 for 2013.

NOTE 4 - AGENCY OBLIGATION PAYABLE

CPEX is the fiscal agent for funds of an organization for certain activities related to flood and water management. Funds are released by CPEX as expenditure for activities occur.

NOTE 5 - NET ASSETS

Temporarily restricted net assets at December 31, 2013 totaled \$90,093. During 2013, CPEX expended \$231,942 of its temporarily restricted net assets for their designated purposes.

During 2013, changes in temporarily restricted net assets were as follows:

	<u>Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Remaining Net Assets</u>
OSBR EBRMFA	\$ 26,000	\$ -	\$ -	\$ 26,000
OSBR Commercial Façade	14,000	-	(20,000)	(6,000)
OSBR Neighborworks	1,000	-	(1,000)	-
OSBR Chase	20,000	-	(5,493)	14,507
Credit Bureau Foundation	7,767	-	(7,767)	-
Capital One	2,874	-	(2,874)	-
GNOF Connect	44,423	-	(44,423)	-
SUDNA	14,700	-	(14,700)	-
Chase	-	90,000	(71,966)	18,034
Junior League	-	2,500	-	2,500
GNOF Coastal	-	98,771	(63,719)	35,052
	<u>\$ 130,764</u>	<u>\$ 191,271</u>	<u>\$ (231,942)</u>	<u>\$ 90,093</u>

NOTE 5 - NET ASSETS (CONTINUED)

The contributions received above are designated to fund a specific purpose. When the related purpose restriction is satisfied, these temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

NOTE 6 - CONCENTRATIONS OF CREDIT RISK

At various times during 2013, cash on deposit with four banking institutions exceeded the \$250,000 insured by the Federal Deposit Insurance Corporation. Management believes the risk is limited.

NOTE 7 - LEASE OBLIGATION

CPEX leased an office facility under an operating lease with a two-year term, which expires on May 31, 2014. During the year ended December 31, 2013, rent expense was \$38,500. The lease commitment is \$16,042 for the year ended December 31, 2014.

NOTE 8 - SUBSEQUENT EVENTS

In preparing these financial statements, CPEX has evaluated events and transactions for potential recognition or disclosure through the date of the auditors' report, which was the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

CENTER FOR PLANNING EXCELLENCE, INC.

Baton Rouge, Louisiana

SCHEDULE OF FUNCTIONAL EXPENSES

For the year ended December 31, 2013

(with comparative amounts for 2012)

	Program				Total	Management and General	Fundraising	Totals	
	Planning	Policy	Communi- cations	Old South Baton Rouge				2013	2012
Salaries and payroll taxes	\$ 374,274	\$ 184,316	\$ 40,404	\$ 30,691	\$ 629,685	\$ 155,640	\$ 178,852	\$ 964,177	\$ 972,956
Professional services	234,346	16,125	15,349	2,134	267,954	5,840	430	274,224	109,367
Travel and meetings	16,015	11,770	40,731	176	68,692	6,534	9,146	84,372	173,658
Occupancy	-	-	-	-	-	38,503	-	38,503	38,502
Printing, postage and shipping	354	1,699	7,907	21	9,981	470	12,198	22,649	45,443
Communications	7,509	3,234	1,491	280	12,514	770	4,831	18,115	18,723
Equipment rental and maintenance	1,442	1,008	1,373	584	4,407	6,165	1,584	12,156	7,580
Office supplies	2,590	167	580	1,381	4,718	1,830	1,605	8,153	5,092
Insurance	-	-	-	-	-	7,315	-	7,315	6,580
Dues and subscriptions	130	-	310	395	835	4,895	-	5,730	4,429
Predevelopment	3,517	-	-	651	4,168	-	-	4,168	44,039
Depreciation	-	-	-	-	-	3,440	-	3,440	7,483
Service charges	602	-	-	-	602	2,413	-	3,015	4,145
	<u>\$ 640,779</u>	<u>\$ 218,319</u>	<u>\$ 108,145</u>	<u>\$ 36,313</u>	<u>\$ 1,003,556</u>	<u>\$ 233,815</u>	<u>\$ 208,646</u>	<u>\$ 1,446,017</u>	<u>\$ 1,437,997</u>

See Independent Auditors' Report

Special Independent Auditors' Report
CENTER FOR PLANNING EXCELLENCE, INC.
Baton Rouge, Louisiana

December 31, 2013



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
Center for Planning Excellence, Inc.
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the **CENTER FOR PLANNING EXCELLENCE, INC. (CPEX)** (a non-profit organization), which comprise the statement of financial position as of December 31, 2013 and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 13, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered CPEX's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CPEX's internal control. Accordingly, we do not express an opinion on the effectiveness of CPEX's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of CPEX's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CPEX's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of CPEX's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CPEX's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended for the information of the Board of Directors, management, state and federal granting agencies, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



Certified Public Accountants

Baton Rouge, Louisiana
June 13, 2014

CENTER FOR PLANNING EXCELLENCE, INC.
Baton Rouge, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended December 31, 2013

There were no current year findings.

CENTER FOR PLANNING EXCELLENCE, INC.

Baton Rouge, Louisiana

SUMMARY OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

For the year ended December 31, 2013

There were no prior year findings.